

Legislative Assembly.

Thursday, 5th October, 1939.

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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

QUESTION—FINANCIAL EMERGENCY TAX.

Collections and Payees.

Mr. SEWARD asked the Premier: What amounts of financial emergency tax were collected under the various rates of 4d., 5d., 6d., 7d., 8d., 9d., 10d., 11d., and 1s. in the pound, and how many taxpayers paid the tax in each case?

The PREMIER replied: The Commissioner of Taxation advises that this information is not available.

QUESTION—TIMBER INDUSTRY.

Whittaker's Mill, North Dandalup.

Mr. HOLMAN asked the Minister for Forests: 1, Is he aware that Whittaker's Mill, North Dandalup, closed down for repairs on the 13th June last, and that the company announced that the mill would be re-opened in approximately one month? 2, If so, is he further aware that after many delays, the management informed the Employment Department, which had given the men employment on relief work, that the mill would be re-opened at the beginning of October? 3, Is he also aware that, because of this statement, the Employment Department terminated the employment of these men on the 30th September, stating as its reason that they were to be re-engaged at the mill; that the company had now advised that it could not give any definite guarantee when the mill would re-open, and that, as a consequence of this advice, the men are without employment? 4, In view of these

circumstances, does the Conservator intend to take proceedings against the company under the powers vested in him? 5, As such actions are prejudicial to the interests of the men employed in the industry, does the Conservator intend to obtain from timber companies a guarantee to prevent a recurrence?

The MINISTER FOR FORESTS replied: 1, No. 2, Yes. 3, Yes. It is understood that the mill will re-open in about a week's time. 4, The mill has been closed for essential repairs and the department has no evidence that the company has deliberately delayed completion of the work. This mill is approximately 40 years old and unforeseen difficulties have been met with as work proceeded involving much more extensive repairs than originally anticipated. 5, Although exemption from working conditions must be obtained under the terms of sawmilling permits when a mill is closed down, the Conservator has no power to withhold such exemption when application is made on any reasonable grounds.

QUESTION—CORNSACKS.

Increase of Price.

Mr. SEWARD asked the Premier: 1, Has he seen a statement in the "West Australian" of the 3rd inst., indicating that the price of cornsacks has been increased by 50 per cent. since the war began? 2, If so, will he cause a searching inquiry to be made, with a view to preventing wheatgrowers from being exploited?

The PREMIER replied: 1, Yes. 2, Powers to deal with matters of this nature are contained in the Profiteering Prevention Bill now before Parliament.

LEAVE OF ABSENCE.

On motion by Mr. Wilson, leave of absence for one week granted to Mr. Lambert (Yilgarn-Coolgardie) on the ground of ill-health.

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the following Bills:—

1. Plant Diseases Act Amendment.
2. Reserves (No. 1).

- 3, Swan River Improvement Act Amendment.
- 4, Geraldton Harbour Works Railway Extension.

BILL—WHEAT PRODUCTS (PRICES FIXATION) ACT AMENDMENT.

Introduced by the Minister for Labour and read a first time.

BILL—TRAFFIC ACT AMENDMENT.

In Committee.

Mr. Marshall in the Chair; the Minister for Works in charge of the Bill.

Clause 1—agreed to.

Clause 2—Commencement:

Mr. DONEY: I move an amendment—

That the following proviso be added:—

Provided that no premium for a policy to comply with Part IV.A of this Act shall exceed—

(a) In respect of vehicles licensed in the metropolitan area—

(1) If used for private purposes thirty shillings per annum.

(2) If a motor car used for business purposes three pounds ten shillings per annum.

(3) If a motor vehicle used for the carriage of goods two pounds ten shillings per annum.

(4) If licensed under the fourth proviso to subsection (1) of section ten of the principal Act two pounds ten shillings per annum.

(b) In respect of vehicles licensed outside the metropolitan area—

(1) If used for private purposes one pound per annum.

(2) If a motor car used for business purposes one pound ten shillings per annum.

(3) If a motor vehicle used for the carriage of goods two pounds five shillings per annum.

(4) If licensed under the fourth proviso to subsection (1) of section ten of the principal Act one pound five shillings per annum.

(c) In all other cases such maximum amount per annum as shall be approved by the committee and the Minister.

The object of the amendment is to moderate the premiums that will be fixed by the premiums committee. The matter of the premiums to be charged is all-important because, if they are fixed at too high a rate and do not receive the sanction of the Min-

ister, the measure will not operate. Parliament fixes the rate of other forms of taxation, and this amount also should be fixed by Parliament. To give the premiums committee liberty to do as it thinks fit would not be right. Limits should be fixed within which the committee might work. The Minister indicated that the measure follows the lines of the South Australian Act, and therefore we might well adopt the South Australian idea of premiums because substantially similar risks have to be covered in both places. I see no reason why higher premiums should be charged here. The comparable figures in South Australia are £1 7s. 6d. in the metropolitan area and 17s. 6d. in the country. Possibly slightly higher rates would have to be charged here. The comparable figure in New Zealand is £1 6s. If those rates are suitable in those places, they should be applicable here. If the Committee accepts the amendment, we might be held responsible in the event of the measure being turned down; but we are prepared to accept that responsibility. The point I make is that if the premium fixed by the premiums committee exceeds the limits I have mentioned, the measure will not operate.

The MINISTER FOR WORKS: I should like to accept the amendment, but I fear it is out of keeping with the machinery of the Bill. True, we can compel a person to insure his vehicle; but no power is taken to compel the insurer to insure a vehicle. The matter is one for delicate negotiation, which will be conducted by a representative of the proposed premiums committee. Arbitrarily fixing a maximum premium means that if the committee is unable to get insurers to agree to it, there will be no Act to proclaim. Possibly the committee will be able to obtain terms as favourable as those suggested by the amendment, though our experience of the past few years does not lead us to expect premiums so low. Since the committee is set up as in the nature of an Industrial Arbitration Court, we cannot at this stage declare that we have sufficient knowledge to determine the maximum rate.

Mr. Doney: Are these insurers to be asked to cover any risks not covered in the Eastern States?

The MINISTER FOR WORKS: To determine the basis of insurance companies' charges is most difficult. The companies may say that 30 per cent. should be allowed for overhead expenses, and 70 per cent. for

payments; and we have no means of ascertaining whether those percentages are reasonable. In the case of the State Insurance Office, there will be the advantage that the office will give to the committee the benefit of its experience, as time goes on, regarding actual cost of insurance. A suggestion has been made that all insurers should pay into a pool to be administered by trustees. However, fairly elaborate machinery would be needed to administer the business throughout the State. If we establish a trust without either the necessary experience or staff, some time must elapse before a suitable scheme will be evolved. Unless the companies quote reasonable rates, this measure will not be proclaimed. Moreover the Minister will not be required to accept the premiums recommended by the committee.

Mr. Doney: What is your idea of a satisfactory figure?

The MINISTER FOR WORKS: My idea would be to arrive at a satisfactory figure on the evidence collected by the premiums committee, upon which car owners would have two representatives. Further, the Auditor-General and the Government Statistician would be members of the committee. Should not such a body be better able to arrive at fair rates than we are on the facts now before us? The amendment amounts to appointing an industrial arbitration court to determine wages, and then sitting here to fix maximum wages. Under the amendment Parliament would have to accept the responsibility of functioning as a premiums committee. On the other hand, the Bill provides that the premiums committee will take cognisance of the position in New Zealand, Victoria and Queensland, and will be able to review the results of insurance in this State. The committee will then be able to determine whether the companies locally will be justified in charging premiums in excess of those levied in South Australia. The problem is too intricate for Parliament to deal with by fixing a maximum rate. As I pointed out previously, if the committee considers the premiums proposed by the companies are too high, the Act will not be proclaimed. In the meantime, as members appear to be satisfied with the constitution of the premiums committee, the question should be left to that body for decision.

Mr. McDONALD: I sympathise with the anxiety of the member for Williams-Narro-

gin to ensure that the premiums imposed shall be as low as possible. Members know that even a small additional expense will constitute a material disability to many owners of motor vehicles. At the same time, I consider we should follow the scheme of the measure and leave the fixation of premiums to the proposed committee for determination after due inquiry. According to my reading of the Bill, the committee can differentiate regarding the different classes of insurance risks, and the companies will be able to grant rebates or concessions to motorists who have not had to lodge claims. A hard and fast differentiation, as suggested in the amendment, would not prove wholly satisfactory. The member for Williams-Narrogin suggests one premium rate to apply to vehicles in the metropolitan area and another to vehicles outside that area.

Mr. Watts: That applies to South Australia now.

Mr. McDONALD: I do not consider that a good guide to follow, for the reason that the owner of a motor used for business purposes in Midland Junction will have to pay a premium of £3 10s. per annum, whereas the owner of a car used for similar purposes in Kalgoorlie will be assessed at £1 10s.

Hon. C. G. Latham: That could be overcome by setting out what would be included in the metropolitan area.

Mr. McDONALD: Quite so, but that has not been attempted in the amendment, which simply provides for premium rates for the metropolitan area and other rates to apply outside that district. The amendment as framed at present will not work equitably as I have already shown. The member for Williams-Narrogin is quite right in suggesting some safeguard regarding premium charges; but in view of the protection provided in the Bill itself we should allow the premiums committee to determine the rates. At a later stage, should the committee consider the premiums charged too high, the Act may be suspended, and the obligation to insure may be terminated during the period of suspension.

Mr. DONEY: The Minister's remarks indicated that quite conceivably a premium rate in excess of 30s. might be considered reasonable. I do not know that that could be justified unless the Minister could show that risks not now covered in South Australia and New Zealand will be involved in the insurance granted in this State. The

Minister said considerable investigation had been carried out during the past few years, and possibly he has ascertained that certain additional risks are to be covered. Should that be so, there might be some justification for his contention; but failing that, I cannot agree that rates beyond those imposed in South Australia should be accepted.

Mr. WATTS: Possibly the amendment deals with a phase that to a majority of the motor owners is of more importance than the rest of the Bill.

Hon. C. G. Latham: It is of more importance.

Mr. WATTS: I am astonished that during the nine months that have elapsed since the previous measure was before us, we have not been able to obtain more information. Representatives of country electorates have received numerous requests for details regarding this phase. Opinion is apparently united that legislation of this kind is necessary, but the question is always raised whether the premium will be fixed at a reasonable amount. The member for Williams-Narrogin has gone to some trouble in this matter and, broadly speaking, has calculated the maximum premium rate mentioned in his amendment at approximately 10 per cent. above the South Australian figure.

Mr. Doney: It is 12½ per cent. in excess of the South Australian rate.

Mr. WATTS: That is a reasonable limit within which the premiums committee could work. The Minister suggested that the fixation of the rate should be left to the committee. The effect is that members are asked to impose upon the motorists of the State a compulsory form of insurance, attached to which is a further tax the amount of which this Chamber does not know and cannot determine. In my opinion, when we deal with taxation measures our duty should be to deal with the amount of taxation to be levied. If we cannot fix a rate that is considered satisfactory, it would be better to do without the Bill until such time as a more satisfactory method of arriving at third-party insurance has been ascertained. We do not know what evidence may be considered by the committee or what premium rate will be fixed. While there may be a divergence of opinion, as suggested by the member for West Perth, I think the rate proposed by the member for Williams-Narrogin should be regarded as reason-

able. Unless some such safeguard is included in the measure, I would rather lose the Bill, although I believe third-party insurance is necessary and, in many respects, has been improperly lacking over a long period of years. In view of the time that has elapsed, it is extraordinary that the Minister cannot tell the Committee approximately what premiums should be paid, so that the amendment can, if necessary, be amended to provide, in substitution for the figures of the member for Williams-Narrogin, the Minister's figures. That would serve as a guide, and let people know what imposts they were likely to suffer. The matter had better be held up until those figures are supplied.

The MINISTER FOR WORKS: The member for Katanning wants to know why I have not been able to supply figures. The South Australian Act has been in operation for 12 months. The charge there is 2s. 6d. I cannot say whether that is a fair amount. South Australia has yet to discover that. There is still a premiums committee at work in that State; and, in the light of experience, that committee will determine whether the amount should be decreased. I am asked why I cannot force the insurance companies here to say at what rate they are prepared to undertake this insurance.

Hon. C. G. Latham: You are prepared to force motorists to insure.

The Premier: No.

The MINISTER FOR WORKS: Only under reasonable conditions. In a few months' time we shall find out what the companies consider a fair charge.

Hon. C. G. Latham: Then hold the Bill up until that time.

The MINISTER FOR WORKS: We cannot get it that way.

Mr. Doney: Why?

The MINISTER FOR WORKS: We must have a proposal to put before them.

Mr. Doney: Could not you set up a committee of inquiry without the Bill?

The MINISTER FOR WORKS: On what authority?

Mr. Doney: On your own authority.

The MINISTER FOR WORKS: I am not to assume that this House will pass any measure. If I were to appoint a committee now, Parliament would say, "You are assuming that the Bill will pass."

Hon. C. G. Latham: You would not take much notice of that.

The MINISTER FOR WORKS: Parliament would take umbrage, and probably the Bill would not be passed. If members want to know whence we obtain the figure of 33s., the insurance companies gave it to me on the last occasion, after having examined these proposals. The matter was submitted to the Auditor General and a representative committee. Mr. Bennett, the Government Actuary, was also present; and he said he could not take exception to the companies' statement that in this State a comprehensive policy would cost them approximately 20 per cent. more than in South Australia. The member for Williams-Narrogin says it would cost only 12½ per cent. more. Where does he get his information?

Mr. Doney: I did not say that.

The MINISTER FOR WORKS: The hon. member told his friend by interjection that the rate would be 12½ per cent. over that of South Australia. The insurance companies say 20 per cent.

Mr. Doney: You would, of course, like to have their evidence substantiated. You would not accept that figure?

The MINISTER FOR WORKS: We will have the whole matter examined when authority is given for the appointment of a committee. I fail to see how the business could be 20 per cent. dearer in this State than in South Australia; but the companies say it would be, and there are not many present who could challenge their contention. Even the member for Katanning could not tell me whether that is a fair charge.

Mr. Watts: I do not think some of the companies know themselves.

The MINISTER FOR WORKS: The hon. member has censured the officers of my department because they are unable to tell us what is a fair rate. Even if they had done so, we could not compel insurance companies to do business at that rate. It is a case of finding out what the companies are prepared to do this business for, and then we can say whether we agree. The only thing to do is to pass a measure setting out conditions, and to say to the companies, "Here is an agreement between a motorist and an insurance company: what rate are you prepared to charge?" And not only in the metropolitan area either. Members must realise that in this State there are at least 150 licensing authorities with which the companies will have to do business, and there will be highly diverse conditions. A

premiums committee could go into all that. There is a definite assurance that the Act will not be proclaimed unless a satisfactory rate can be agreed upon. When the measure is passed, the insurance companies will tell us what we want to know. They are not anxious for this business.

Hon. C. G. Latham: They are never anxious! They were not anxious for workers' compensation business, but immediately the measure was introduced they became very anxious. I do not trust them.

The MINISTER FOR WORKS: I think we had better decide to obtain their rates first, and then do our best to influence them to undertake the business at a reasonable figure. That is as far as we can go.

Mr. DONEY: The Minister says the insurance companies have told him they cannot do this business for less than an increase of 20 per cent. on what is charged in South Australia. If the insurance companies are able to tell the Minister that, they certainly must have made calculations. To say, "We cannot do it for less than 20 per cent. above what is charged in South Australia" is not a complete argument. The argument would have been complete if they had shown why. Perhaps we would then have been convinced. The Minister would help members if he would tell us, assuming that he knows, whether it is proposed to cover risks not covered in South Australia at the rates of £1 7s. 6d. and 17s. 6d.

Hon. C. G. LATHAM: I cannot understand why the Government is objecting to this. All we are doing is to say to the Minister, "Let the committee determine what is a fair thing." But Parliament has a perfect right to say, "We are not going to impose additional taxation on people in excess of a certain amount." This is a taxing measure, and we have a right to fix the maximum.

The Premier: The maximum might become the minimum.

Hon. C. G. LATHAM: More than likely it might. The point is that we have set out here exactly what we are going to do. We propose to leave it to a committee of six and the Minister to decide whether to go on with the legislation. I am not prepared to agree to that.

The Minister for Works: It is for the Government to decide.

Hon. C. G. LATHAM: But who is the Government? In this instance it is the

Minister in charge. The Government must have confidence in him.

The Minister for Works: The committee does not decide; it only reports.

Hon. C. G. LATHAM: Yes, to the Minister, and the Minister reports to Cabinet. Probably one or two Ministers who are not overworked might glance at the measure, but they will be prepared to accept the word of the Minister in charge. We have all the information we need. We know the number of vehicles already licensed in the State. According to the "Pocket Year Book of Western Australia" for 1938 there were 17,640 cars registered in the metropolitan area at the 30th June, 1937, 5,022 vehicles for carrying goods, 218 buses, and 3,898 motor cycles. Roughly, I suppose, there would be between 60,000 and 70,000 registered motor vehicles in the State. Then in the annual report of the Commissioner of Police for the year ended the 30th June, 1938, appears a reference to the fact that there were 4,727 accidents reported in the metropolitan area during the year, being an increase on the previous year's figures of 370. These accidents were classified as follows:—69 fatal (72 persons killed), 475 serious, and 4,253 minor, being an increase of seven fatal and 115 serious, as compared with the previous year. There is no reason why the Government should not employ one of its officers, or someone else, as a royal commissioner with power to investigate on the lines set out in the Bill, and then submit his findings to Parliament. We should protect people who are injured by motorists, but we have not the right to hand over to any insurance company money in excess of a fair and reasonable profit. I have argued time after time that there is little competition in insurance business. The result is that the companies say, for instance, that they do not want workers' compensation business; yet if it is taken away from them a protest is raised. No harm would come to anyone by holding up this legislation for a few months, at the end of which time we might know more about the subject. The Government should guard against imposing too much taxation, for we know that Federal taxation will be heavy, and that everyone will be affected by it. Many motorists may take their vehicles off the road. Already numbers of owners use their vehicles only once a week.

Mr. Doney: When going to market at week-ends.

Hon. C. G. LATHAM: We do not want people to be taxed excessively. The Premier has no idea what lies ahead of him, and should not tax the community too heavily. I oppose the Bill not for the sake of opposing it but because I believe the time is inopportune for taxing the people unreasonably.

Amendment put and a division taken with the following result:—

Ayes	..	..	..	..	15
Noes	..	..	..	..	23
Majority against					8

AYES.	
Mr. Berry	Mr. Sampson
Mr. Boyle	Mr. Seward
Mrs. Cardell-Oliver	Mr. Thorn
Mr. Hill	Mr. Warner
Mr. Latham	Mr. Watts
Mr. Mann	Mr. Willmott
Mr. McLarty	Mr. Doney
Mr. North	(Teller.)

NOES.	
Mr. Coverley	Mr. Rodoreda
Mr. Cross	Mr. Shearn
Mr. Hawke	Mr. F. C. L. Smith
Mr. J. Hegney	Mr. Styanis
Mr. W. Hegney	Mr. Tonkin
Mr. Holman	Mr. Triat
Mr. Leahy	Mr. Willcock
Mr. McDonald	Mr. Wilson
Mr. Millington	Mr. Wise
Mr. Nulsen	Mr. Withers
Mr. Pantou	Mr. Fox
Mr. Raphael	(Teller.)

AYES.		NOES.	
Mr. Abbott	Mr. Lambert		
Mr. Stubbs	Mr. Johnson		

Amendment thus negatived.

Clause put and passed.

Clause 3—agreed to.

Clause 4—Amendment of Section 9: Repeal and new section:

Mr. SEWARD: It is to be regretted that the second reading of this Bill was passed so quickly. This particular clause proposes that vehicles shall be licensed for a definite period from the date of application. That will completely alter the present system, whereby a person obtains a license for his vehicle for three months, six months, nine months or 12 months. By the disc on the windscreen the traffic inspector can say at once whether the vehicle has been licensed for a particular year; but I fail to see how he will detect the unlicensed vehicle when the license may be taken out at any time, covering perhaps a portion of two different financial years.

Hon. C. G. Latham: No difficulty is experienced in South Australia.

Mr. SEWARD: Perhaps the Minister will explain the reason for departing from the existing practice.

The MINISTER FOR WORKS: For some time past the Commissioner of Police has recognised that the rush at certain periods of the year is difficult to cope with. He also appreciates that unless the existing licensing system is changed, the insurance companies will also suffer. The Bill, therefore, provides that a license may be taken out for a stated period from the date when it is granted; and that will apply not only to the license, but to the insurance policy. Before a vehicle can be licensed, the owner will have to show that it is insured. The alteration will overcome the difficulty experienced at peak periods. That is the reason for the change. I would prefer to continue the existing system, but we must consider both the licensing authorities and the insurance companies. I am informed that no difficulty will be experienced by traffic inspectors in detecting unlicensed vehicles under the new system.

Hon. C. G. LATHAM: I do not yet know how matters will be adjusted as between the insurance companies and the holders of policies.

The Minister for Works: Owners will have to show that their insurance covers the period for which they have applied for the license.

Hon. C. G. LATHAM: Insurance policies may fall due, say, in January, and the owner of the vehicle may have a license running until the 30th June. Perhaps the company will extend the policy for a few months, and for this the insurer will have to pay. In the Eastern States, when a license is taken out, the owner of the vehicle is given a disc showing the month when it was licensed, and a particular colour is given to each disc for the year in question. It is thus easy for the inspector to discover whether a license is overdue or not. Under the existing system the congestion at the traffic office about the end of June is very bad.

The Premier: A motor car owner can always send a cheque with his application for renewal.

Hon. C. G. LATHAM: That may not be possible for all motor car owners.

Mr. J. Hegney: One can easily waste a couple of hours at the Traffic Office waiting for a renewal.

Hon. C. G. LATHAM: I have yet to learn what adjustment can be made by the insurance company in cases where the premium becomes due at a period different from that of the license.

Mr. WITHERS: A bad feature of the clause is that the license fee and the insurance premium fall due together. A person owning a car which he uses for pleasure may find it difficult to meet the two payments at the same time.

The MINISTER FOR WORKS: The licensing authority cannot issue a license unless an insurance policy has been taken out for the period of the license. Whatever adjustment is necessary to bring the two payments into line is the responsibility of the licensing authority.

Mr. SEWARD: I draw attention to Subsections (4) and (6) of proposed new Section 9. Subsection (6) provides that the owner of a vehicle failing to obtain a new license within 14 days after the expiration of the last current license shall forthwith return the number-plates of the vehicle to the local authority. Subsection (4) provides that the local authority may reserve the number-plates for the owner for a period of three months. The subsections should be brought into line. An owner not paying the license fee should not be entitled to have his number-plates reserved for a period of three months.

The MINISTER FOR WORKS: This point is not vital. As the hon. member knows, a farmer might not be in a position to license his car until after harvest and might request that his number plates be reserved. The concession is a small one.

Mr. THORN: I favour the subsections as printed, because a motorist is given the opportunity to lay up his car for three months if he so desires.

Mr. J. HEGNEY: I also favour the subsections as printed. Some car owners place a sentimental value upon number-plates, and if they desired to journey to England they could, under this provision, have the number plates reserved for them. Local bodies could be trusted to exercise discretion in this matter.

Clause put and passed.

Clauses 5 to 8—agreed to.

Clause 9—Insertion of new part IVA.:

The CHAIRMAN: I point out to the Committee that Clause 9 embraces 25 proposed new sections. In order to simplify the procedure, I propose to put these sections seriatim. I think that is but fair to the Committee.

New Section 55—agreed to.

New Section 56—Insurance against third party risks:

Hon. C. G. LATHAM: This new section provides a penalty in the event of a vehicle being on the road and unlicensed. I move an amendment—

That the following words be added to Subsection (1)—“and shall be paid into a trust account at the Treasury from which payment may be made as compensation to any injured person.”

The Minister will agree that the penalties are intended to act as a deterrent. I think he will also agree that the fines should be paid into the fund I have mentioned, because undoubtedly the persons who pay are carrying the burden for those who do not.

Mr. Withers: Suppose the person fined has not got £100?

Hon. C. G. Latham: He has a motor car.

Mr. Withers: It might not be worth £100.

Hon. C. G. LATHAM: Then he can be sent to gaol. The Government proposes to pay the compensation and then to claim against the insurance companies a sum proportionate to the amount of this particular business that they have done.

The CHAIRMAN: I cannot accept the hon. member's amendment. It interferes with the direction in which funds shall be applied, and also appropriates funds for a specific purpose. The hon. member knows he is not permitted to do that.

Hon. C. G. LATHAM: Then I ask the Minister to take my proposed amendment as a suggestion, because it is reasonable that these moneys should be paid into a fund. After all, why should a person who does obey the law be made to suffer for the person who does not? The Minister, who is very reasonable, should see the need for such a proposal. If something of the kind is not done I know what will happen.

The MINISTER FOR WORKS: I am not prepared to adopt the hon. member's suggestion. The insurance companies will not police the Act; that will be left to the local authorities in the country and the

Police Department in the metropolitan area. Why all this concern for insurance companies? Does the hon. member think that the companies will reduce their rates if his suggestion be carried out? I can assure him that the companies will not lower their rates by even one penny. This is an amount that we cannot calculate. To suggest that these moneys should be paid into a trust fund at the Treasury on behalf of the insurance companies is really beyond me.

The CHAIRMAN: I remind the Minister that I refused to accept the amendment, and that there is now no amendment before the Committee.

The MINISTER FOR WORKS: Any way, I am not prepared to accept the hon. member's suggestion.

Mr. McDONALD: The suggestion of the Leader of the Opposition is an excellent one, and if it were adopted we would be setting an example to the other States, an example which I think they would follow. There is every reason why a substantial part, if not all, of these funds should be paid into a trust account at the Treasury for the purpose suggested by the hon. member; and to say that such action would not be reflected in the premiums is casting a reflection on the premiums committee.

Mr. WATTS: I move an amendment—

That in lines 2 and 3 of Subclause 2 the words “shall (unless the court for special reasons thinks fit to order otherwise)” be struck out, with a view to inserting the word “may.”

The magistrate should be given discretion in a matter of this kind, because there are occasions when not all the blame is attachable to the driver of the vehicle. The provision in the subclause is rather dangerous, especially as matters of this kind come before various types of magistrates in different parts of the State. Except for an extraordinary reason, a license should not be refused; indeed, often a driver should be allowed to retain it.

The MINISTER FOR WORKS: It is necessary to impress upon the motoring public that they must take out a policy of insurance complying with this part of the measure. We must be definite in a matter such as this, and therefore it is provided that a person, on conviction, shall, unless the court for special reasons thinks fit to order otherwise, be disqualified from holding and

obtaining a license for a period of 12 months from the date of the conviction. Those who offend should be given to understand that we consider this a major offence. Discretion is granted the court in the matter of disqualification from holding a license, because the subclause sets out "unless for special reasons he thinks fit to order otherwise." At times there might be reasons, and those reasons would be stated in court. Then if the magistrate considered them satisfactory, the license would not be cancelled.

Mr. McDONALD: I support the amendment. The offence will be regarded as serious, because if a man takes an uninsured car on the road he is liable to a fine of £100, default for which would probably be two or three months' imprisonment, and for a second offence a fine of £200, with probably four or five months' imprisonment as an alternative. That penalty would be incurred if a person was a day overdue in insuring. On top of that, it is proposed to direct the court to take away the man's license for 12 months unless he can advance special reasons, which might be interpreted to mean powerful reasons. Refusal of a license might lead to a man's losing his job, and that would alter the whole course of his life. We should not leave it to a bench, possibly of inexperienced justices, to inflict extremely severe punishment.

Mr. WATTS: I am astonished that the Minister has not viewed the amendment a little more cheerfully. The offence contemplated by the proposed new section is not one of killing or injuring a third party. The driver will be mulcted in this penalty if he is merely driving a vehicle without having taken out an insurance policy. We shall be dealing not with a hardened criminal, but probably with a first offender under a new law, and yet the magistrate must cancel the license for the vehicle and the driver. That is going too far.

Mr. J. HEGNEY: The proposed new section must be made stringent if third party insurance is to be rendered effective. Special reasons might be advanced why a license should not be cancelled, and the magistrate would consider them. Admittedly, the question of killing or injuring a third party is not involved, but the provision is necessary to require motorists to insure and thus afford some protection for other users of the roads. The amendment should be resisted.

The MINISTER FOR WORKS: The measure is designed to secure compulsory insurance; and everybody must understand that if he takes the risk of using the roads without having insured he is liable, on conviction, to be fined substantially and have his license cancelled.

Mr. Hughes: If you deleted the words "for special reasons," would not that do? "Special reasons" does not leave much to the discretion of the magistrate.

The MINISTER FOR WORKS: We are giving the magistrate discretion, but we do not want to give him an invitation to refrain from cancelling a license. If compulsory insurance is to be successful, we must be careful not to give opportunities to evade the law. The measure must be couched in plain language, and the penalties must be sufficiently severe to act as a deterrent. People of means would be extra careful if they knew there was a prospect of the license being cancelled. An irresponsible youth riding a motor cycle would be much concerned about losing his license, whereas his father would probably pay the fine. If we are going to have compulsory insurance, let us not play with it. Let us show that we are in earnest, and that those who evade the law will be punished. I believe that the greatest deterrent of all is the prospect of having one's license cancelled for a period. I have confidence in the court. If there were special reasons, they would be considered.

Mr. Hughes: What would be "special reasons"?

The Minister for Mines: If a man would lose his livelihood as a result of having his license cancelled, it would be a special reason.

The MINISTER FOR WORKS: Discretionary power is given to the magistrate, and that should be sufficient.

Mr. McDONALD: I doubt whether the instance mentioned by the Minister for Mines would constitute a special reason. Every man who used his truck or car for the purpose of his business would lose his business in the event of his license being cancelled. This therefore would be a common reason, not a special reason.

Mr. Fox: If a member of Parliament had his license cancelled, he would not lose his business.

Mr. Sampson: Let us hope that members do not break the law.

Mr. McDONALD: Loss of livelihood or business would be common to every motor driver dependent for a living on using his truck or car, and I doubt whether that would constitute a special reason.

The Minister for Works: If you were appearing before a magistrate, you would not tell him that.

Mr. McDONALD: I do not think I could put it otherwise, and I believe the court would hold that it was not a special circumstance if it was common to every driver using his car or truck in the course of his business. A magistrate might well take the view that Parliament had expressly stipulated "special reasons."

Mr. HUGHES: I move—

That the amendment be amended by striking out all the words except the words "for special reasons."

Sitting suspended from 6.15 to 7.30 p.m.

The CHAIRMAN: The question before the Chair is the amendment moved by the member for East Perth on the amendment moved by the member for Katanning. I suggest to the member for East Perth that he can obtain his object by moving the deletion of the words "for special reasons." If he agrees, I suggest that he ask leave to withdraw his amendment on the amendment.

Mr. HUGHES: With all due respect, Sir, I want to retain the words "for special reasons." I want those words struck out of the Bill, and therefore they must remain in the principal amendment. If both amendments are carried, those words will be deleted from the measure, and the court will be left an unfettered discretion.

The CHAIRMAN: The member for East Perth may accept my assurance that he will gain his objective by either means. However, I will put to the Committee the hon. member's amendment on the amendment.

The MINISTER FOR WORKS: All calculations that have been made and all negotiations that have taken place have been on the basis that this provision is similar to the corresponding provision in the South Australian Act, which has operated successfully since 1938. The wording of the clause here follows that of the South Australian legislation. If we are to have compulsory insurance, let us make it abundantly clear that the insurance is to be compulsory. First of all, there is the motor driver's license,

which must be produced on application. Then there is the motor license, and the existence of that license will be plain from the motor's number. Thirdly, there is the insurance policy; but no one can see that insurance policy.

Hon. N. Keenan: But the man would not have a license unless he had a policy.

The MINISTER FOR WORKS: Is the hon. member sure? It would be easy for a man to have a number-plate and get around the country without having an insurance policy, or for that matter a license. The penalty must be heavier in this instance.

Mr. Hughes: How often in 12 months has a man to produce his driver's license?

The MINISTER FOR WORKS: The driver's license and the car license go together. However, there is no means of signifying the fact of having an insurance policy. Cancellation of license is a means of insisting on insurance. If a driver has not an insurance policy the companies are loaded, because they have to cover the uninsured person also. I would not object to the deletion of the words "for special reasons."

Mr. Hughes: That is what I desire.

Mr. DONEY: The amendment, if I heard it aright, will if carried have the strange effect of making it obligatory on the court to find special reasons for disqualifying a driver; and that is an amazing result.

Members: Not so.

The CHAIRMAN: The member for Williams-Narrogin has the matter upside down.

Mr. DONEY: For the sake of the Bill I hope I have.

Mr. WATTS: I am thoroughly satisfied that if the amendment of the member for East Perth is carried the proposed Subsection 2 will read that "any person convicted of an offence under this section shall (unless the court thinks fit to order otherwise) be disqualified."

The CHAIRMAN: That is correct.

Mr. SAMPSON: I fail to see any justification for this effort to protect those who violate the traffic laws. The amendment on the amendment is unnecessary, and the words "for special reasons" might well remain. Such special reasons would be brought under the notice of the magistrate; and therefore consideration could, under the Bill, be given to them. The proposed subsection should be retained in toto. Our hospitals are filled with people injured

through careless motor drivers. There should be special reasons before the magistrate omits to exercise the power given in the proposed subsection if the amendment of the member for East Perth is not acceded to.

The MINISTER FOR WORKS: So long as the effect of the amendment on the amendment, together with the amendment itself, is that only the words "for special reasons" are struck out, I am prepared to agree to both.

Mr. HUGHES: I can assure the Minister that that will be the effect. Only the words "for special reasons" will be struck out of the proposed subsection as it stands in the Bill.

Mr. Sampson: And the provision "for special reasons" should be retained.

Amendment on amendment put and passed.

Amendment, as amended, agreed to.

Mr. WATTS: I move an amendment—

That proposed new Subsection (4) be struck out.

From time to time we have argued the principle involved in British justice, and here it arises again. The effect of the subsection is to say that a man is guilty of an offence without the necessity to furnish proof of his guilt. The proposed subsection is totally unnecessary in view of the powers provided for the police and others, and in addition is wholly undesirable. If a police officer, or any other person capable of doing so, lodges a complaint in writing before a justice of the peace or a clerk of petty sessions without any proof whatever but merely on suspicion that a motorist has no policy in force, he may take that action; and the defendant is then placed in the position of having to prove that he has a policy.

Hon. C. G. Latham: And he has to pay for the proceedings.

Mr. WATTS: Yes. A defendant cannot secure costs against the police.

Mr. Hughes: He cannot get costs in any traffic case.

Mr. WATTS: That is quite so. In view of all the circumstances, and the support we have always accorded the principle that a man must be proved to be guilty and should not be called upon to prove his innocence, I submit my amendment.

The MINISTER FOR WORKS: The amendment may possibly have the sympathy

of all members who have discussed the eternal question of the onus of proof, but in this instance the position is entirely different.

Hon. C. G. Latham: It generally is!

The MINISTER FOR WORKS: Members might just as well contend that the onus of proof rests with the man to show that he has a license. Compulsion is provided for under three headings. The motorist is responsible for producing his license; he has to produce his number-plates; and now we say the responsibility rests upon him to prove he has an insurance policy. Here again the provision has been taken, word for word, from the South Australian Act.

Hon. C. G. Latham: Bad laws are made in South Australia!

The MINISTER FOR WORKS: If members desire to confirm my statement, they can compare the proposed new subsection with that appearing in Section 17B of the South Australian Act. It would be futile for the Government to tell the insurance companies that we have passed a measure similar to that operating in South Australia if members are to carve the Bill to pieces. We must see to it that the motorist is insured. Now it is proposed to remove part of the machinery we seek to set up to compel motorists to insure!

Amendment put and negatived.

Progress reported.

BILLS (2)—FIRST READING.

- 1, Government Railways Act Amendment.
- 2, War Funds Regulation.

Received from the Council.

BILL—TOODYAY CEMETERIES.

Returned from the Council without amendment.

ANNUAL ESTIMATES, 1939-40.

In Committee of Supply.

Debate resumed from the 28th September, on the Treasurer's Financial Statement and on the Annual Estimates; Mr. Withers in the Chair.

Vote—Legislative Council, £1,848:

HON. C. G. LATHAM (York) [7.57]: I have already reviewed the financial transactions of the past year, and as far

as possible, I shall confine my remarks to the Estimates of Revenue and Expenditure for the current period. As a consequence of the war in which the nation is involved, many of our economic problems may disappear, but, on the other hand, many others may arise. On that account we should give more serious consideration to the finances on this occasion than in years gone by. In introducing the Budget, the Premier pointed out how utterly dissimilar is our position this year compared with what it was in 1914, when we experienced drought conditions. At that time we had, practically speaking, only commenced operations in agriculture which is now our most important industry. Formerly droughts had been unknown in this State, and at the end of 1914 we were confronted with a shortage of many commodities of which today we have surpluses. As a result, Australia commenced her war time operations in 1914 on quite a different basis from that which we are now enjoying. In many directions Governments and the public generally will probably not experience the ill-effects of hostilities so much now as they did at the outbreak of the Great War. While to-day we find ourselves with surpluses of wheat, wool, eggs and butter, we had a shortage of those commodities in 1914. In those circumstances, Australia commenced the earlier war with a ready market within her own borders for all she could produce. On this occasion we are beginning with big surpluses and experiencing difficulty in placing them; so that while the Government may not feel the pinch so very much there are many engaged in our industries for whom the outlook is not particularly bright. I am satisfied that there will be a market for wool because there is never really a surplus of that commodity; but it is well that the Committee and the public should know what is the actual position of the wheat industry. I am afraid that the Premier and some of his Ministers are not aware of the situation. Only the other day one Minister made a statement that wheat was likely to flatten out at 3s. a bushel for the coming harvest. For that remark there was no justification.

The Premier: Except that the Federal Government said the probability was that the price would be a reasonable one.

Hon. C. G. LATHAM: It may be a reasonable one—

The Premier: From the producers' point of view.

Hon. C. G. LATHAM: The question is, how we are to interpret the words "may be a reasonable one?" The Imperial Government purchased 100,000 tons of Australian wheat, but that was the surplus from the last harvest. Western Australia's total was somewhere about 60,000 tons and the price fixed was 17s. sterling a quarter, which works out roughly at 1s. 10d. a bushel f.o.b. The Imperial Government paid exchange and freight and incidental costs in landing at the other end had to be met by sellers at this end.

The Premier: Sixty thousand tons it was.

Hon. C. G. LATHAM: Yes. The balance, I understand, will be picked up from some of the Eastern States. No other wheat has been sold to the Imperial Government up to date. I have tried to reason the matter out and I do not think my reasoning is far wrong. Suppose there is a market for the forthcoming harvest—and we are not too certain about that—and that the price is somewhat similar to that paid by the Imperial Government at the present time. That will work out at 1s. 10d. per bushel to our farmers on a 4d. freight basis at siding, plus the flour tax which will be about 5d., though if the Australian harvest is a big one or the price of wheat increases it will be less. I understand that the estimate for the Australian harvest in 180,000,000 bushels of which roughly between 50,000,000 and 60,000,000 bushels will be required for home consumption, leaving an exportable surplus of 120,000,000 bushels. If we add to the 1s. 10d. that I have mentioned the 5d. from the flour tax, we have a total of 2s. 3d. I believe that on the Federal Estimates there is a sum of £4,600,000 for assistance to wheatgrowers, of which I believe £2,000,000 is to be used to honour a promise made by the Federal Government when the agreement was being entered into by the States and the Commonwealth to fix a price for Australian wheat. That agreement was not concluded because the State Governments could not find £1,500,000, their share of the cost. I am referring to the arrangement that was being made between the Commonwealth and the State Premiers for the payment of an amount of £3,500,000 to the wheatgrowers to ensure to them a reasonable price for their commodity. If that £2,000,000 is distributed amongst the

wheatgrowers who have produced the 120,000,000 bushels for export, the return works out at only 3½d. Accordingly, I estimate that the forthcoming harvest will return at the outside not more than 2s. 6d. or 2s. 6½d. on a 4d. freight basis.

The Premier: That is not the basis on which the Commonwealth is purchasing wool.

Hon. C. G. LATHAM: I am speaking of wheat. I will deal with wool later.

The Premier: The Commonwealth Government said that wool would be paid for at a reasonable price; apparently that is 1s. 2d.

Hon. C. G. LATHAM: It must be understood that when we speak of wheat we are talking about a commodity in respect of which there is a large world surplus. The Minister for Agriculture on one occasion explained to the House what the position was. Canada started its new harvest with a surplus of 120,000,000 bushels, sufficient to meet her requirements for the whole year, and ended with nearly a record harvest of 480,000,000 bushels, which exceeds England's annual requirements. In addition, the Argentine had a surplus of about 4,000,000 or 5,000,000 bushels and that country will be looking for a market. Financial obligations will compel Britain to take goods of some kind from the Argentine. We must realise also that the necessity will arise for some of the ships taking wheat to London to be conveyed. That leads us to an appreciation of the fact that shipping freights and insurance rates will be higher and that the British Government is not likely to run a ship to and from Australia when she can obtain from Canada three times the quantity of wheat she needs.

Our problem is whether we are likely to have a ready purchaser for our wheat. Up to date very little has been told us. This product is subject to the war precautions measure under which the Commonwealth is given wide powers. The Federal Government has the right to take possession of wheat. The section of the Act giving that power sets out that compensation may be claimed from the Government for any produce so acquired. It seems to me that we are facing the future with anything but encouraging prospects and with no knowledge of what we are to receive from the Commonwealth Government. Let us examine the cost to the Federal Govern-

ment of advances at the rate of 1s. a bushel on 120,000,000 bushels. That would work out at £9,000,000, which is a fairly large sum of money for the Federal Government to find in addition to its heavy defence commitments. The farmers declare they are not satisfied with 1s. a bushel, and I do not blame them because they too, have their commitments. The statute giving power to the Commonwealth Government to acquire wheat also relieves the farmer of all obligations in respect of liens and mortgages. Any claims made by a mortgagee or lien holder will be made against the Commonwealth Government instead of the producer of the article acquired. I am afraid my prediction regarding wheat is much more likely to be realised than that of people who assert we will obtain 3s. a bushel. We should not mislead the farmer. He has a hard enough row to hoe as it is, and there are great difficulties ahead of him. We should not establish a hope that cannot be fulfilled.

The position of the wool industry is totally different because there is no surplus of wool in the world. I can quite understand Britain's desire to corner the wool market. Fortunately for her, the British Dominions produce most of the world supply of wool. Australia and Africa are the principal wool-producing countries and that gives Britain the power to control the sale price of wool to any neutral country or any of her allies that desires to purchase it. I do not know whether this is authentic—the Press is continually publishing prices for which they have no authority—but the latest price I have seen mentioned is 1s. 1½d. a lb. for what is known as fair average quality wool. Then I understand that with respect to any sales effected outside of Britain, the British Government will share with the Australian Government the difference between the price at which the commodity is purchased by Britain and that at which it is sold. That is some encouragement to the wool producers. During the time that the B.A.W.R.A. operated, it paid the appraised price less 10 per cent. which was held for some time until the adjustment was completed, and that seemed a satisfactory way of dealing with the product.

There is one lesson I hope we have learned. Immediately we find ourselves in a state of war or a similar emergency there arises a need for the control of the export and sale of our primary commodities. That

is something for which the party I represent has been pleading for years. But our appeals have not had a bearing until now when it suits the Government of the day to pay heed to them. The Government is beginning to realise that this is the only way to ensure for the people a fair deal. We should benefit from our present experience by determining that in future there will be a system of organised marketing under which the producer will receive all it is possible to give him, without intermediaries benefiting at his expense. I hope the farmers of this State at least, and of Australia as a whole, will profit by past experience and that we shall not revert to the system of dumping our wheat on world markets where there is already a surplus. That has been the unfortunate experience of Australia in the past. Having a big exportable surplus she has dumped it on the London market on to which every other country with a surplus also dumps. The result has been that until recently we have fixed the world's dumping price as the price to the home consumers.

The Premier: That no longer obtains.

Hon. C. G. LATHAM: That is so, and I am grateful for it. The decision to give the Australian farmer an Australian price for his goods—which is very reasonable—has been wisely and decently accepted by the Australian people. I do not know whether I am justified in saying it, but I understand that the producers of some commodities have endeavoured to make arrangements to secure a better price than Britain is prepared to pay. In these times we must be fair and reasonable and remember that there are other places from which Britain can obtain most of these products. If we do not take what is a fair price and begin demanding something that is unreasonable we shall find ourselves being left in the lurch as I understand some producers are being left to-day. Great Britain has told us she will offer a fair price, and, if it is not accepted, she will get the goods elsewhere. Our geographical position places us at a disadvantage. I wonder, before this year is out, what will be the prospect of continuing our cropping system and arranging for the storage of our wheat. In the old days, we could store the wheat in bags, although at great loss. Whether we shall be able to induce the Federal Government to assist us to store our wheat in bulk,

much after the system we now have in vogue, is doubtful. We must not mislead the public. We must not build a house unless we are sure that the foundations are sound. The Press of this State and of the Eastern States has repeatedly published prices that it is impossible to verify. I believe that in the course of the next 12 months prices might improve. Many people will become either munition manufacturers, or members of defence units, thus going out of the ranks of producers. By the end of 12 months, the outlook for our producers should be brighter. We are so far removed from the war zone that we shall probably be of very little use from the point of view of man power, but we can be extremely useful if we organise ourselves and keep Great Britain supplied with foodstuffs at a fair and reasonable price. One of our duties is to keep on producing so that we can supply our people overseas.

Mr. Cross: We should set about producing more bacon.

Hon. C. G. LATHAM: Bacon was at a fairly high price, but that is coming down again.

Mr. Cross: There is a big market for it overseas.

Hon. C. G. LATHAM: I wish to contrast the position in 1914 with that which we are facing to-day. In the early days of the Great War, the State Government was free to borrow money wherever it wished to do so. At that time a reasonable amount of money was available, more than is available to-day. The people then were not loaded with the tremendously high costs with which they are at present faced. Taxation was also less at that time. Although the position in 1914 was not easy, it was in many directions easier than it is to-day. The commitments of the present war are greater than they were in 1914.

The Premier: Our productive capacity is much greater.

Hon. C. G. LATHAM: Yes, and our economy is more diversified. Developments have taken place in the South West, and we have done a great deal to develop some secondary industries, though not quite to a sufficient extent. Within Australia I believe we can live a long time without importing anything. We might have to turn our attention to improvising a new drink for ourselves, instead of the tea and coffee we drink now.

Reverting to the Estimates, there is one matter to which I would like to draw the attention of the Premier. When we analyse the finances dealing with last year, we find that the revenue was only £89,000 below the estimate. The Premier blamed the bad season, though I think it had very little to do with the result. If we examine the returns, we find that timber was the big factor responsible for the falling-off in revenue. I think the falling-off in timber freights last year represented about £56,000, which accounted for nearly the whole of the shortage. I agree that the export price of wheat in particular affected the national income. It was down about half what it was for the year before. We exported about £100,000 worth more wool than we did the year before.

The Premier: We had bad conditions in both the wheat and woolgrowing districts.

Hon. C. G. LATHAM: Yes, but they have slightly improved. They have improved in the agricultural areas, but not to the same extent in the pastoral areas. There was an increase in wheat production, but railway freights were affected in that wheat was held in the country, owing to the difficulty of finding markets.

The Premier: The bulk of the wheat came from a short distance away. The outback wheat areas did not produce much.

Hon. C. G. LATHAM: The freight on wheat was down about £15,000, not a big item. I agree that the bulk of the wheat was grown along the Great Southern and in towards the coast. Outback, where the harvest will be heavier this year, it was very light last year. Those industries should not be blamed for the position. Had they been in a prosperous condition, and had prices been higher, the Premier would have had a big surplus, but, unfortunately for him, that was not so. The Premier is not justified, on account of last year's deficit in asking for so much taxation as he is demanding this year.

The Premier: Increased taxation?

Hon. C. G. LATHAM: Yes.

The Premier: Very little.

Hon. C. G. LATHAM: "Many a mickle makes a muckle." There is no justification for increased taxation. The first claim against the people is for defence, and that claim will be made and is already being made. I have no wish to encourage the

State Government to increase taxation, and will never do so. There is no justification for it. If there is justification for increased taxation, there is certainly none for the relief of taxation. The Government cannot have it both ways. The Premier said, "I am going to relieve two sections of the community, which contribute very little per head." A man receiving £310 per annum, with two children, contributes £6 a year. He enjoys all the social services available to him, free education for his children, medical, health and other benefits. We do not ask him to pay much, and yet the Premier says he is overcharged. Someone must carry the load. The Premier proposes to do two things to which I object. He intends to increase railway freights, thus relieving the city people and putting the load on those in the country. He has already told the Committee that people in the country are overloaded and are experiencing great financial difficulty. We accept his word for that. Now he says, "We must increase railway freights, and you must pay them." That is neither logical, reasonable, nor financially sound.

The Premier: Yes, it is.

Hon. C. G. LATHAM: When it costs 3s. a bushel to produce wheat that is sold at 2s. 6d., someone must find the difference of 6d. Upon whose shoulders will the extra freight be loaded? The Government will make the position of people in the country less tolerable than it is today. I ask the Premier to reconsider his decision.

The Premier: You do not think the farmers are paying all that?

Hon. C. G. LATHAM: The people in the country will pay it.

The Premier: A large proportion of the people on the goldfields will pay it.

Hon. C. G. LATHAM: Not to any great extent.

The Minister for Mines: On the goldfields people are paying top prices all the time.

Hon. C. G. LATHAM: I do not know about that. If we compare the freights to the goldfields with freights to other parts of the State, we find that most of the charges are paid by other than goldfields' people. The other articles referred to, coal, coke and gravel, will not greatly affect farmers. The extra freights on those commodities will probably be paid out of Government revenue, by the railways themselves, or by the Main Roads Board. It is

of no use to take money out of one pocket to put it into another.

The Premier: But that is not taking money out of the pockets of the people in the country.

[*Mr. Marshall took the Chair.*]

Hon. C. G. LATHAM: To increase the freight on goods is to load unnecessarily the people in the country. I hope the Premier will reconsider his decision. I do not mind the extra freight on the other items, but goods used in the country are already expensive enough to a community that has no money with which to pay for them. The next point is that the Premier is going to increase probate duty on estates over £4,500 in value. That will be no encouragement to the man who is prepared to defend his country, and is possessed of an estate worth over £4,500. When the Bill comes down, I hope the Premier will agree to exclude from its sphere the estate of any man who dies on active service.

Mr. Cross: They will have nothing to worry about then.

Hon. C. G. LATHAM: When the Administration Act Amendment Bill was before the House, I induced the Premier to agree to that principle. I know of a case in the Old Country where the father was killed during the war. Probate and succession duties were paid. The son who received the estate, was then killed, and his son was killed, all the deaths occurring within four years. The estate was so impoverished that in the end it was worth nothing. No country should demand such a sacrifice. I hope the Premier will consider the man who is killed on active service. It is not too much to ask that the old rate should apply to the estate of a man who is sent away to defend his country.

The Premier: We will carefully consider the matter.

Hon. C. G. LATHAM: We may not send away any troops. Many of our flying men are possessed of valuable estates. If they go overseas and are killed, we should not profit by their deaths.

There is comparatively nothing on the Estimates for the Minister for Industries, whose vote is very small. Recently he established a new department, and made several appointments for which there is no provision. I wonder whether he seriously intends

to proceed with the new activities. I see he is nodding his head, so I will give him a little friendly advice. Unfortunately for me, the member for Katanning the other night stole some of my thunder. We have continually told the Government it cannot expect to develop secondary industries whilst Western Australia has higher taxation, a higher basic wage, and higher workers' compensation than are found in the other States. I was interested to read in the last report of the Commonwealth Grants Commission the remarks concerning these three factors. On page 57 the following appears:—

In our view, however, the cause of Western Australia's failure to attract new secondary industries can be ascribed, not only to geographical position or to the federal structure, but partly to local policies, which directly or indirectly hamper secondary industry. Two aspects of such policies which have come under our notice are the operation of workers' compensation and the State basic wage rate.

Our investigation of the provisions of the Workers' Compensation Act of Western Australia leads us to conclude that the benefits conferred are on a much higher scale than those of the other States, and that this imposes a charge upon industry proportionately much greater than that imposed by corresponding Acts upon competitors in the other States of the Commonwealth. The liberality of the Western Australian Act in comparison with the Victorian Act is shown by a comparison of the premiums charged in each industry to insure workers. The rates are on the average twice as high as in Victoria, and the ratio of claims to premiums is higher in Western Australia than in any other State. The higher premiums are probably due to a greater number of claims. Figures published in the Labour Report of industrial and mining accidents in the six States indicate that the Western Australian accident rate is far above that in any other State. In general, the effect is that, while the operation of workers' compensation legislation adds 2 per cent. to wages on the average in Victoria, in Western Australia the addition is of the order of 4 per cent. This burden is added to the existing disadvantage that nominal and real wages, as determined by the State Court of Arbitration, are higher than those determined by the Commonwealth Court of Conciliation and Arbitration. The State Court has usually declared for Perth a basic wage appreciably higher than the Federal basic wage.

Now that the Premier has decided to take some notice of the reports of the Commonwealth Grants Commission, may I appeal to him to take some notice of this?

The Premier: I cannot understand why the number of accidents in Western Aus-

tralia is greater than the number for the rest of Australia.

Hon. C. G. LATHAM: Because there is more encouragement for men to have accidents.

The Premier: Oh!

Hon. C. G. LATHAM: The Premier says "Oh," but he would agree that the toes of workers in Western Australia were "farmed." Would he believe that? Of course it happened.

Mr. Cross: In one case.

Hon. C. G. LATHAM: Not one case only. There was quite a number.

The Minister for Mines: The miners of our State could not do that.

Hon. C. G. LATHAM: I am talking about the South-West. What miners are down there?

The CHAIRMAN: Order! I ask the Leader of the Opposition to address the Chair, and we shall make some progress.

Hon. C. G. LATHAM: I agree that our mining industry is responsible for the number of accidents in this State being larger than those in the other States. Of course the number would be greater! The Grants Commissioners reasoned it out, and they are more competent to make comparisons than we are. The Premier was good enough to take the hint the Commission gave him to divert traffic fees to Consolidated Revenue. I suppose he will admit he took the hint.

The Premier: I do not know why we have been so generous for so long.

Hon. C. G. LATHAM: I would not say that. I do not think the Premier has been generous at all. If there has been generosity, it has been on the part of the Federal Government, for I find it has favoured this State since the introduction of the petrol tax by a sum in excess of £1,600,000, an amount larger than the Commonwealth Government actually received by way of petrol tax from the State.

The Premier: If the Leader of the Opposition will look back over the past eight years, he will find that I opposed the legislation giving the fees to the municipalities.

Hon. C. G. LATHAM: The following interesting information appears on page 81 of the Commission's report:—

The following figures supplied by the Commonwealth Treasury illustrates the advantage gained by the claimant States during

recent years under the Federal Aid Roads Agreement:—

Then follows this table:—

FIVE-YEAR PERIOD, 1933-34 TO 1937-38, INCLUSIVE.

State.	Amounts collected from States for Federal Aid Roads and Works.	Amount payable to and on account of State.	Amounts payable to State in excess of collections in State.
	£	£	£
South Australia	1,500,069	1,650,602	156,623
Western Australia	1,176,262	2,811,184	1,034,922
Tasmania	357,838	732,080	374,222

The report continues:—

Notwithstanding the substantial increases in the Federal Aid Roads Grants, the three claimant States are spending large sums from loan funds on roads. Most of this expenditure is unproductive. Little or no attempt is made to recover even a portion of the annual debt charges from local authorities, and in Western Australia and Tasmania no part of motor taxation revenue is used to meet the annual debt charges on the loan liability for roads.

The Minister for Mines: The Commonwealth Government will get that amount this year from the gold tax.

Hon. C. G. LATHAM: No, it will not.

The Minister for Mines: It will get £1,000,000.

Hon. C. G. LATHAM: It will not get £1,600,000.

The Minister for Mines: It will get £1,000,000.

Hon. C. G. LATHAM: As the Premier is making use of this money to increase revenue, I think he might take the hint given to him by the Commission, so that we may really make an earnest attempt to start secondary industries. We on this side of the House will help the Government in every way possible to do so, if only to provide permanent employment for our workers. Road jobs are not much good to workers. It would be far better to expend loan funds in assisting secondary industries; because at the end of the road the workers have nothing to look to except the road. I ask the Premier to give consideration to this point. My desire is that workers should receive high wages, but not artificially high wages. I desire them to get value for their money; but we find that so soon as an increase is made in the basic wage, up go the prices of goods and so the workers are no better off at the end of the year. That is the

ouble in this State. We ought to make a serious attempt to investigate a better system. The Premier says he desires to give relief to married men by his proposed amendment to the Financial Emergency Act. He will relieve a man and his wife, but what about the man with five or six children? He is the man who ought to be considered.

The Premier: I do not believe in that system at all.

Hon. C. G. LATHAM: Every other State has found it necessary. All I am concerned about is that the Premier has endorsed it all along. He has renewed the legislation year after year; but since the general election last year we have not heard of the amalgamation of the taxes. The Premier did not tell the public that he proposed to obtain the same amount of money from some other source. He was going to abolish the financial emergency tax; but I warn him we shall reach a stage in this State when the people will be over-taxed. If the Premier intends to get £1,240,000 from people earning more than £250 or £300 a year, he will place a heavy load on their shoulders and so discourage any attempt to establish secondary industries.

The Premier: Single people on high wages will get sluggish, too, don't worry!

Hon. C. G. LATHAM: I do not know whether they will or not. We do not know what the Premier's proposals are.

The Premier: That is, if the hon. member will help me.

Hon. C. G. LATHAM: The Premier has never yet taken me into his confidence, so cannot make any promise. However, this side of the House, provided he introduces sensible legislation in the interests of the people, will give him all the help it can.

The Premier: We have always introduced sensible legislation.

Hon. C. G. LATHAM: Some of the legislation now being introduced is unfair. The Premier should give us a little more consideration. I have a grievance. I believe this House had one put over it by the Profiteering Prevention Bill. That is a serious statement to make.

The CHAIRMAN: The hon. member must not reflect on a vote that has been agreed to.

Hon. C. G. LATHAM: I am not, Sir. I said it was put over me. I have since found out that almost every article with which

that legislation proposes to deal is already covered by the Federal Proclamation and Regulations—almost every one. I was struck to-night by the Premier's reply to the question asked by the member for Pingelly (Mr. Seward). The Premier said that the Profiteering Prevention Bill did not affect cornsacks. As a matter of fact, a price is being fixed to-day for cornsacks. Probably it will be made public to-morrow.

The Premier: What I said was that I would make an inquiry, and that there was provision in the Bill for cornsacks.

Hon. C. G. LATHAM: No provision was made for them because they are dealt with under the Federal law. What I am afraid of is that we are having one put over us. The Bill will eventually find its place on the statute-book and six months after the war is over we shall be told there is justification for its continuance. I hope that will not be so. Our profiteering legislation will be of no use at all until the repeal of the regulations made under the Federal Act.

The Premier: Would you rather have the Federal Act?

Hon. C. G. LATHAM: That is not the point. The Premier knows as well as I do that Commonwealth law overrides our law.

The Minister for Mines: Prices have been rising.

Hon. C. G. LATHAM: We should use the Federal law to prevent profiteering. Is any step being taken by the Federal Government?

The Premier: Yes.

Hon. C. G. LATHAM: Evidently the Premier knew very little about the price of cornsacks, otherwise he could have given us the information. As a matter of fact, I tried to obtain a quotation for cornsacks, but was told I could not get it because the Price-fixing Commissioner was dealing with the matter and the price would not be available until to-morrow.

The Minister for Labour: The merchants were trying to put the price back to that charged on the 31st August.

Hon. C. G. LATHAM: And did they?

The Minister for Labour: They did.

Hon. C. G. LATHAM: What was the price?

The Minister for Labour: I do not know.

Hon. C. G. LATHAM: The price to-day is between 11s. and 12s.; but nevertheless the merchants are not quoting prices be-

cause, as I have said, the price will be fixed to-morrow. The price I mentioned, however, is about the current rate, and is about twice as much as it was before the war. I hope the Premier is not putting one over us by the Profiteering Prevention Bill.

The Premier: No.

Hon. C. G. LATHAM: I am sorry we did not have more information as to the Federal Government's actions.

The Premier: The proclamation was published in the "Commonwealth Gazette."

Hon. C. G. LATHAM: I think the Minister for Industries introduced the Profiteering Prevention Bill. He certainly sent me a list of articles which I perused very carefully.

The Minister for Labour: The Commonwealth Government issued supplementary lists each day.

Hon. C. G. LATHAM: Tasmania has adopted a sensible attitude. The Tasmanian Government directed its attention to rents and because the Legislative Council there threw out the Bill, the Tasmanian Government appealed to the Federal Government to include rents in its legislation. Therefore, I cannot see the necessity for our introducing profiteering prevention legislation at all.

The Minister for Mines: I thought we had the worst Legislative Council in the world, but Tasmania's is worse.

Hon. C. G. LATHAM: Thank goodness, the Minister for Mines can see some virtue in our Legislative Council. He came from there, and naturally has some affection for his old love.

The Minister for Labour: You will find that very many articles are not covered by the Commonwealth regulations.

Hon. C. G. LATHAM: I shall be glad to hear of some of them. I have not found one. I do not know whether the Minister for Labour has perused the Red Book.

The Minister for Labour: No, I have not.

Hon. C. G. LATHAM: As a matter of fact, the Minister is "Red" himself.

The CHAIRMAN: Order!

Hon. C. G. LATHAM: I desire to stress the importance of looking into the question of establishing secondary industries, because last year I think our importations amounted to about £13,000,000. Such a huge sum of money going out of the State is an important item. The Premier would be well advised to get one of his officers to go into the question to find out what is wrong and

what can be done to save some of this money. We get assistance from time to time for the unemployed, but they will always be with us; so I think it is well worth while the Premier doing what I suggest. It is no use at all sending the Minister for Industries with his carpet bag to the other States, because when he gets there we know that he is too well treated.

The Minister for Labour: I will show you some letters that I have received.

Hon. C. G. LATHAM: Very well. I have read the report of Mr. Justice Wilkes, but I do not think he really got down to Mother Earth. No doubt it is a fine report, but what we want is to get closer to industry itself. He has given us some reasons, but those reasons in themselves will not start industries.

Mr. Thorn: We should have sent the member for Canning on that trip.

Hon. C. G. LATHAM: If the Federal Government intends to find £2,000,000 to assist the wheatgrowers, I ask the Premier on behalf of the farmers to find the £200,000 that he promised.

The Premier: You do not know anything about it.

Hon. C. G. LATHAM: The Premier and the Minister for Lands readily and rightly said that this State would do its share in providing financial assistance for the wheatgrowers. Will the Premier now honour that obligation?

The Premier: We will see what the position is. It has entirely changed since then.

Hon. C. G. LATHAM: The Federal Government first agreed to find one million. Then it increased the figure to a million and a-half, and subsequently further increased it to two millions. Western Australia was to find £200,000; but there is no provision on the estimates for that assistance.

The Premier: We do not know anything yet about the price.

The CHAIRMAN: I ask members to cease interjecting. There have been too many interjections altogether, and if they continue I will resort to the powers that I possess and take action. So I ask members to remain silent while the Leader of the Opposition continues his remarks.

Hon. C. G. LATHAM: I hope the Premier will provide the money that he said would be forthcoming. He owes the people of the State something and should carry out his obligations. It is no use saying that

because Victoria and Tasmania would not agree with the other States, that Western Australia's obligation ends. One has no right to make a promise to-day and break it to-morrow. Nothing has happened since that conference that would justify the Premier in saying that he will not give effect to that undertaking. Therefore I am going to pledge him to that £200,000 that he promised to find for the wheatgrowers.

The Premier: I would not interrupt you for the world.

Mr. Cross: Even if wheat goes up to 5s. a bushel?

Hon. C. G. LATHAM: It seems to me strange that the increased expenditure on Railways, Tramways and I think Ferries—

The Premier: Electricity?

Hon. C. G. LATHAM: No, I do not think there was an increase in that department. The Premier was good enough to supply me with certain figures, and while I agree there may be some justification for increases in some departments, I cannot see any reason for increases in others. The most extraordinary thing that strikes me now is that the Commissioner of Railways intends to take steps to curtail expenditure. Why was not that done at the proper time? I think the Railways went to the bad to the extent of £117,000. The Commissioner must have known from month to month that the department was going back. It was then that he should have taken steps and not waited until the new estimates were prepared. Evidently there is not the control that we have every right to expect. When the present Commissioner was appointed I stated that it was not wise to put a professional man in charge of the railways. A finance expert should have been chosen. The capital invested in our railway system is £25,000,000, and consequently it is worth while paying a good salary to the person in control, provided of course his management is sound. Experience has taught us that professional men are usually bad financiers. An engineer, for instance, knows very little about finance.

Mr. Cross: Perhaps he was too sympathetic to the wheatgrowers.

Hon. C. G. LATHAM: No; too much influence is exercised there by the hon. member. The interjection has given me the opportunity I want. Since the year 1932-33—and this is for the hon. member's special

benefit—when we passed the Transport Coordination Act, the railway revenue has increased by £660,000, and the expenditure by £814,000. Thus it would have been far better not to put through the Transport Act. If we had not done so there would not have been that increased revenue and still greater expenditure. The average number employed in the Railways in 1932-33 was 7,370 and in 1937-38, that total had increased to 8,565. The railway mileage did not increase, and it took 1,200 more men to earn an additional £660,000. We will probably hear something about this from the member for Kalgoorlie. Did he not tell us recently about the rattletrap engines and that they were never up-to-date? I understand, however, that a number of new locomotives are being built. Then we always have belated repairs.

The Premier: With all due respect to the member for Kalgoorlie, I would sooner take the certificate of the Chief Mechanical Engineer.

Hon. C. G. LATHAM: That officer's certificate for 1931-32 declared that everything was satisfactory. Every year a certificate must be produced, and it is presented to Parliament, and every year the certificate declares that everything is all right. When I think of belated repairs I look at the member for North-East Fremantle (Mr. Tonkin). I can tell him something about belated repairs that are waiting and are likely to wait.

Mr. Tonkin: The officers' reports for those years—

Hon. C. G. LATHAM: The hon. member can go back for many years.

Mr. Tonkin: There are three miles of trucks at Fremantle.

Hon. C. G. LATHAM: Of course we know that rolling stock must wear out. Even the hon. member himself will wear out in time. Everything decays, and so we find that rolling stock is wearing out. Did not the railways get a fair sum of money from scrap-iron that was exported some little time back? I believe it was sold to Japan. Going about the country I notice quite a number of trucks lying about, but I have not been sufficiently observant. I have no wish to be hard on the Government, but I intend in the future to keep an eye open for decrepit engines that are in the Midland Junction yards and count

their number. I shall also look out for the rolling stock that is at or near Fremantle.

Member: It is not all laid up down there.

Hon. C. G. LATHAM: Of course we can always get support until it comes to a vote. Then that support fails us. It cannot be denied that the railways have employed 1,200 more men to earn an additional £660,000. At the same time there has not been a great deal of improvement in the system. I admit the railways have benefited to an extent by reducing grades. Probably the Premier, in the absence of the Minister for Railways, will tell me why was not the capital of the railways increased by the expenditure on trolley buses and trams? The figures appear to have remained stationary, though we know that there has been an increase in the capital expenditure to the extent of £100,000. According to Budget Return No. 15 relating to tramways, we find that the capital cost of construction and equipment in 1933-34, was £1,121,129, and in 1938-39 it was £1,105,235.

Mr. Cross: Were not the trolley buses bought out of a special fund set aside for belated repairs?

The CHAIRMAN: Order!

Hon. C. G. LATHAM: It is impossible for him to keep order, Mr. Chairman.

Mr. Thorn: Put him out.

Hon. C. G. LATHAM: It does not matter where the money came from. We still find that between 1933-34 and 1938-39 there is a reduction, instead of an increase, in the capital cost of construction and equipment. Therefore it appears that the railways did not charge the trolley buses' purchase to capital accounts.

Mr. Cross: Of course they did not.

The CHAIRMAN: Order! I warn the member for Canning that if he does not maintain order I shall take action.

Hon. C. G. LATHAM: Something like £100,000 was spent on trolley buses, and that figure does not appear to have been charged up. If interest and sinking fund payments have been made out of loan funds that fact should be disclosed. The figures do not appear in the return. Then I notice that there is an increase in our shipping. Our liability has gone up from £21,482 in 1933-34 to £47,609 in 1938-39. Thank goodness, anyway, we are not buying more State

steamers, because if our liabilities are going to increase in that ratio we will find ourselves in a very bad way. That is an indication of how we embark upon these concerns without giving serious thought to them.

The Premier: You do not object to the North-West boats?

Hon. C. G. LATHAM: No, but I should prefer to subsidise boats that would carry white crews. The cost to the State would be much less.

The Minister for the North-West: Increase the freights and give the boats a fair deal.

Hon. C. G. LATHAM: Does the Minister believe in increasing the freights?

The Minister for the North-West: Yes.

Hon. C. G. LATHAM: In the North-West?

The Minister for the North-West: You heard what I said.

Hon. C. G. LATHAM: Did I hear the Minister aright?

The Minister for the North-West: You did.

Hon. C. G. LATHAM: Then I can only suppose that the Minister has to be consistent. The Government believes in increasing the freights on an industry that is bankrupt—that is, the wheat industry—and in increasing the freights in the North-West where the pastoralists at the moment are also bankrupt.

The Minister for the North-West interjected.

Hon. C. G. LATHAM: And with no stock to eat the pasture. That is what the Premier told us; he said everything in the North-West was beautiful. So it is from the point of view of pasture, but what is the good of pasture if we have not stock to eat it?

The Premier: You are exaggerating now.

Hon. C. G. LATHAM: A little perhaps, but the Premier understands what I mean.

The CHAIRMAN: The Leader of the Opposition should proceed with his address and pay no heed to interjections.

Hon. C. G. LATHAM: The member for Canning certainly gave me an opportunity to point out what I believe is wrong with the railways.

Regarding traffic fees, I have warned the local authorities that at present they are protected by statute. The fees are collected and paid into their revenue accounts, though a sum is deducted for collecting, but the pro-

posal the Premier has made is to take into Consolidated Revenue Fund the proceeds of the traffic fees and then pay to local authorities an equivalent amount out of the petrol tax. This arrangement will not give the local authorities the security they have under the Act. A later Treasurer might be tempted to say, "Well, gentlemen, I have not so much money this year and so you will get only half the previous amount." In the following year they might get nothing at all. I have warned country people of this because most of their revenue to-day is derived from traffic fees and they will find themselves very hard up.

The Premier: The only reason for giving them powers was to enable them to raise funds for the purpose of making roads.

Hon. C. G. LATHAM: The Premier was right when he said that the Eastern States have one collecting centre.

The Premier: I said one collecting authority.

Hon. C. G. LATHAM: Yes, a central collecting authority, but there the money is spent on roads. On one occasion I investigated the South Australian Estimates and found that £250,000 had been paid into Consolidated Revenue out of traffic fees. That was a year in which the State was very short of funds, but the money was earmarked for roads and was spent on roads. I agree with the Commonwealth Grants Commission that it is not wise, if at all avoidable, to build roads out of loan funds, because interest and sinking fund commitments must be charged against the general taxpayer. Last year the proceeds of the petrol tax, together with the amount provided for sinking fund on money borrowed in years gone by, amounted to over £800,000, which is a very large sum for this State to spend on roads.

The Premier: It is.

Hon. C. G. LATHAM: In addition, there are the traffic fees which are extracted from the people. I do not know whether the people are going to be satisfied with less than they have had, and whether they will be content with a promise that the money will be made available from another source that might or might not be of a temporary nature. If I were chairman of a road board I should certainly prefer to retain what I had to accepting the offer of the Premier, although that offer was made in good faith. Why does not the Premier pay the money out of the petrol tax directly into revenue?

The Premier: We cannot do so.

Hon. C. G. LATHAM: I agree, and I do not think the Premier can legally do what is being done at present without an amendment of the agreement. I have not yet secured legal advice on the point, but in the course of a few days I hope to have it. The Premier has power to expend the money, but I doubt whether he has authority to hand it over as he proposes to do.

The Premier: It is for roads.

Hon. C. G. LATHAM: Yes. One of the Premier's proposals is the most sensible I have heard for a long time. I am pleased that at last the Government appreciates the position and proposes to introduce legislation requiring semi-governmental boards to submit their estimates for parliamentary consideration and approval. No less than £2,000,000 was collected and spent last year by boards in this State, which sum is not accounted for in the revenue funds. That is a large sum of money, and Parliament has no control over the expenditure. All that we can do is to peruse the reports submitted by those boards. By Acts of Parliament we have given away this power. We have authorised these boards to appropriate and spend their money, and the danger is that Parliament does not control their expenditure. They can do exactly as the Metropolitan Water Supply and Sewerage Department has done. The revenue of the department is considerable, but it continues with its expenditure, and when a shortage occurs at the end of the year, an extra penny in the pound is added to the sewerage rate. That is what is being done this year, and unless members delve into the reports, as I have done to-day, they know nothing about it. That is merely another source of taxation. I have protested against the establishment of so many boards and you, Mr. Chairman, have also protested from your seat, but you have always voted with the Government on such questions. However, we have reached a stage when, out of a revenue of £13,000,000, a sum of £2,000,000 is spent by boards over which we have no control, and year by year the expenditure by boards will increase. I hope the Premier will introduce his Bill to bring those bodies under control. I recall that when the present Agent General was a member of this Chamber, I told him the necessity might arise for legislation to abolish boards. He became furious, as he was quite capable

of doing, and said he would fix things so that effect could not be given to the suggestion.

The Minister for Lands: He could get furious?

Hon. C. G. LATHAM: Yes; the Chamber seems almost dead without him, and I assure members that I miss him. Anyhow that is what he said. At least we now have an indication from the Government that it recognises the present system is wrong. And so it is. A sum of £2,000,000 is taken from the pockets of the people or provided out of grants every year, and we should have some opportunity to say how the money shall be expended. Legislation to give control over boards will have my cordial support.

The Premier interjected.

Hon. C. G. LATHAM: We should have an opportunity to control their expenditure and prevent them from increasing taxation. These boards have become taxing bodies. We have to pay a water and sewerage rate, and suddenly we find that the rate is increased 1d. in the pound. The Premier has provided £20,000 to cover expenditure on any measure for war precautions that might have to be introduced. I hope there will be no occasion to use it for that purpose. Last year he provided £25,000 to meet the expected cost of national insurance. The money was not needed for that purpose, but he used it for something else.

Now I wish to refer to the hospital fund expenditure for the year. If you, Sir, are in the Chair when we are considering the details, you will probably not give us much latitude to discuss this matter. You will doubtless say that it is not before the Committee. Therefore we had better take the opportunity provided by the general discussion to deal with the matter. The hospital fund revenue amounts to about £264,000 and, according to the disbursements, the expenditure on departmental hospitals increased from £92,000 in 1937-38 to £124,000 last year, while the expenditure on non-departmental or committee hospitals increased by only £14,000. Why the difference between the departmental hospitals and the committee-run hospitals?

The Premier: That probably applies to large hospitals and not to small hospitals.

Hon. C. G. LATHAM: In the country we find that we cannot restrict nurses to certain hours.

The Premier: But a lot of the hospitals have fewer than five beds, and the hospitals you are referring to must have more.

Hon. C. G. LATHAM: Yes. The hospital tax has been of great benefit to country hospitals, but apparently the committee hospitals are being managed cheaply and are not getting their fair share.

The Premier: I have given you the explanation.

Hon. C. G. LATHAM: I think I had better consult the Minister for Health, though no doubt he will have a good excuse. The difference between the two amounts seems considerable. I do not wish to deal with parochial matters, but some improvements are needed in my district, particularly at the York hospital, which is a departmental institution. The building is very old, and I hope some money will be made available.

During the next few months the Government ought to give serious consideration to the control of expenditure. Every Minister should be required to investigate the complete expenditure of his department to ascertain whether it is possible to save waste. I do not mean to cut down necessary expenditure, but any waste should be eliminated. The Minister for the North-West is in charge of the Department of Native Affairs in connection with which there seems to be a very large expenditure that cannot be justified. I have no objection to the expenditure so long as we are getting value for it, but when I look back over the last few years and find how rapidly the expenditure has increased, I cannot help feeling that an investigation should be made. I am not blaming the present Minister, because he has not yet had much opportunity to look into those matters. Probably next year we shall be able to investigate the expenditure by his department a little more closely. My impression is that we are voting a large sum of money for the good of the natives and I cannot see that they are getting a proportionate benefit. I hope the Minister for the North-West will give serious consideration to the proposals for a more extensive control of natives by missionaries than exists today. It is all very well for the Minister to frown, but he knows that the missionaries do extraordinarily good work.

The Minister for the North-West: Some of them do.

Hon. C. G. LATHAM: They do it cheaply and willingly, and some saving might be effected in that way. In times of stress such as the present, we cannot increase the income of everybody. So long as we treat all sections fairly, that is the main consideration. It is of no use increasing the wages and salaries of one section of the community at the expense of another. Too long have we tried that system, never giving a thought to the question whether industry could bear the additional expense. To this much of our present troubles may be ascribed. We have built up in Australia a standard worthy of Australia, but unfortunately we have so loaded our industries that the people engaged in them are the serfs and slaves of other sections of the community. That statement is perfectly true. Therefore I appeal to the Government to give serious consideration to the question whether we cannot help those people more effectively. They will carry on their work as in the past, but they have a right to expect reasonable reward for their labour. So, in supporting this Vote for the Legislative Council, I do ask the Government to give most serious consideration to avoiding increased taxation wherever possible, because I know very well that the charges upon the people of the State and upon its industries are so great that instead of making progress as we have done during the last few years it is to be feared that we shall have a retrogression setting in that will be difficult to overcome. There are some items of these Estimates on which I shall have to speak further. I do not think the Government is justified in its request for increased taxation. In my opinion the Government has enough revenue. If I were nearly as optimistic as the Premier, I would not suggest increased taxation. However, the hon. gentleman has an idea that the agricultural industry is far more prosperous than is actually the case.

The Premier: Oh no!

Hon. C. G. LATHAM: The only justification for increased taxation will be to enable that industry to carry on until it finds profitable markets for its products.

Progress reported.

House adjourned at 9.18 p.m.

Legislative Council,

Tuesday, 10th October, 1939.

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The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

QUESTION—WAR WITH GERMANY.

Employers' Liability Risk, etc.

Hon. L. B. BOLTON (without notice) asked the Chief Secretary: When may I expect a reply to a question I asked on the 21st September last as to the Government's intention regarding provision for war risks in connection with employers' liability generally?

The CHIEF SECRETARY replied: At present I have nothing to add to my previous answer, except to say that the matter is receiving consideration and that when a decision is arrived at the hon. member will be informed.

BILL—PROFITEERING PREVENTION.

Read a third time and returned to the Assembly with amendments.

BILL—MORTGAGEES' RIGHTS RESTRICTION ACT CONTINUANCE.

Second Reading.

Debate resumed from the 3rd October.

HON. H. S. W. PARKER (Metropolitan-Suburban) [4.37]: This Bill is brought up every year, and I have opposed it every year—so far unsuccessfully. However, I wish to point out again that the evil which this measure proposes to remedy has long since ceased, and that now the remedy itself has become the evil. Recently an elderly couple came to me and stated that their